Stephen E. Smith SBN 120737
Jennifer W. Gatewood SBN 225066
SMITH SMITH & FEELEY LLP
2601 Main Street, Suite 580
Irvine, California 92614
Telephone: 949.263.5920
Facsimile: 949.263.5925
E-mail: ssmith@insurlaw.com

Attorneys for Defendant and Cross-Defendant
Interinsurance Exchange of the Automobile Club

UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF CALIFORNIA

Brookmead Partners, LP, a Nevada Limited Partnership Plaintiff, vs. Interinsurance Exchange of the Automobile Club, a California business entity; Saracia L.P. Shannahan; William P. Shannahan; and Higgs, Fletcher & Mack, LLP, a California business entity. Defendants.	CASE NO.: 08 CV-659-JLS (WMC) **INTERINSURANCE EXCHANGE OF THE AUTOMOBILE CLUB'S ANSWER TO WILLIAM SHANNAHAN'S CROSSCLAIM** DATE ACTION FILED: April 11, 2008 TRIAL DATE: None set

Defendant and cross-defendant Interinsurance Exchange of the Automobile Club (the "Exchange") submits the following answer and affirmative defenses to the crossclaim filed by defendant, William P. Shannahan.

ANSWER

1. The Exchange admits that William Shannahan is one of the named insureds on a homeowners insurance policy issued by the Exchange referenced in the first amended complaint. Based upon information and belief, the Exchange admits the remaining allegation contained in paragraph 1.

SMITH SMITH & FEELEY LLP

2. The Exchange admits that William Shannahan is one of the named insureds on a homeowners policy issued by the Exchange, and this policy contained coverage for loss to covered personal property. The Exchange also admits that the Brookmead residence was damaged by a fire referenced in the first amended complaint. The Exchange is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in paragraph 2.

3. The Exchange denies all of the allegations in paragraph 3.

AFFIRMATIVE DEFENSES

FIRST AFFIRMATIVE DEFENSE

(Failure to State a Claim for Relief)

1. William Shannahan's crossclaim, and each claim for relief contained therein, fails to state facts sufficient to state a claim against the Exchange.

SECOND AFFIRMATIVE DEFENSE

(The Exchange's Conduct Not a Substantial Factor)

2. The conduct of the Exchange was not a substantial factor in bringing about the damages and injuries, if any, allegedly sustained by William Shannahan.

THIRD AFFIRMATIVE DEFENSE

(The Exchange Acted in Good Faith)

3. The Exchange acted in good faith in accordance with the terms and conditions of the policy of insurance issued to William and Saracia Shannahan.

FOURTH AFFIRMATIVE DEFENSE

(The Exchange's Conduct Consistent With Policy's Terms and Conditions)

4. Each and every act done or statement made by the Exchange and its officers, employees or agents with reference to the matters at issue were made pursuant to and consistent with the terms of the insurance policy issued by the Exchange.

/ / /

/ / /

FIFTH AFFIRMATIVE DEFENSE

(Genuine Dispute)

5. At all times, a genuine dispute has existed regarding the extent of the Exchange's liability.

WHEREFORE, the Exchange prays for judgment as follows:

1. That William Shannahan takes nothing by reason of his crossclaim;
2. For attorneys' fees and costs of suit; and
3. For such other and further relief as the Court deems just and proper.

DATED: July 10, 2008. SMITH SMITH & FEELEY LLP

By: s/Stephen E. Smith

Stephen E. Smith
Jennifer W. Gatewood
Attorneys for Defendant and Cross-Defendant, Interinsurance Exchange of the Automobile Club
E-mail: ssmith@insurlaw.com

SMITH SMITH & FEELEY LLP

CERTIFICATE OF SERVICE

IT IS HEREBY CERTIFIED that service of the foregoing document entitled Interinsurance Exchange of the Automobile Club's Answer to William Shannahan's Crossclaim has been made this 10th day of July, 2008, via the court's CM/ECF system to:

Darvy Mack Cohan	dmc@cohanlaw.com
Jennifer Margarete Chapman	jchapman@chapinwheeler.com
James J. Reynolds	jjr@higgslaw.com
Michael R. Gibson	gibsonm@higgslaw.com

DATED: July 10, 2008.

SMITH SMITH & FEELEY LLP

By: s/ Stephen E. Smith
Stephen E. Smith
Attorneys for Defendant and Cross-Defendant, Interinsurance Exchange of the Automobile Club
E-mail: ssmith@insurlaw.com